The High Road for the Big Box: A New Community-Based Approach to Responsible Retail Development

Policy Brief
Center on Poverty, Work and Opportunity
University of North Carolina, Chapel Hill

Brian J. Morton
Senior Research Associate
Center for Urban and Regional Studies
University of North Carolina, Chapel Hill
bjmorton@unc.edu

Nichola J. Lowe
Assistant Professor
Department of City and Regional Planning
University of North Carolina, Chapel Hill
nlowe@email.unc.edu

December 6, 2006
I. Introduction

Since the mid 1990s, Wal-Mart’s rapid U.S. expansion has engendered bitter conflict in multiple communities where it has proposed to open new stores, many in the supercenter format. Opponents have attempted to defend their communities against deterioration in wages and benefits, hidden subsidies, business closures, and urban decay. A conventional story about Wal-Mart—and for that matter, other big-box retailers—has emerged, found in innumerable news articles and popular books (e.g., Quinn, 2000; Fishman, 2006; Lichtenstein, 2006). The entry of a Wal-Mart or another big-box retailer immediately increases the supply, but at markedly lower cost, of goods sold by grocery stores, apparel stores, drugstores, specialty stores, home improvement stores, and general merchandise stores. This, in turn, reduces sales at existing businesses and forces many independent grocers and retailers to prematurely close their businesses (e.g., Stone, 1995; Stone, Artz, and Myles, 2002). Furthermore, in some communities, it results in a “race to the bottom” as remaining grocery chains, including those under union contract, seek wage and benefits concessions in an attempt to resist anticipated economic pressure from Wal-Mart (Goldman and Cleeland, 2003; Pearlstein, 2003).

While Wal-Mart is certainly the most frequently mentioned big box in the media, and their stores have attracted the most scrutiny and generated the most public opposition, they are not alone in the big-box retail expansion enterprise. In recent years, corporations such as Target, Home Depot, Lowes, and Best Buy have not only adopted similar expansion strategies, they have increasingly become targets of community action and organizing. While big-box establishments do benefit consumers through lower priced commodities, they also negatively affect working families in these regions by crowding
out entrepreneurial activities and putting downward pressure on wages and benefits for large employing industries like retail and services (Boarnet and Crane, 1999; Boarnet, Crane, Chatman, and Manville, 2005; Dube and Jacobs, 2004; Dube, Eidlin, and Lester, 2005; Dube and Wertheim, 2005; Neumark, Zhang, and Ciccarella, 2005).¹

Regional responses to big-box expansion have varied. In recent years, a handful of communities have attempted to implement outright bans on specific categories of big-box establishments. This is typically achieved through zoning regulations that place size restrictions on proposed establishments (Evans-Cowley, 2006). While smaller big-box stores (under 60,000 sq. ft.) are usually permitted in these communities, rezoning efforts have been used to limit the growth of immense, and more controversial, supercenters that combine discount retail and groceries, establishments which can exceed 200,000 sq. ft.

Community organizing efforts of this type, however, have not gone unchallenged. Wal-Mart, for example, successfully launched a referendum campaign which reversed an earlier attempt by county supervisors in Contra Costa, California to ban supercenters. Similarly, the company filed a successful law suit against Northern California’s Alameda County claiming its 2004 ordinance limiting supercenter grocery sales violated standard planning practices. Interestingly, the county had intended to use the ordinance to protect smaller-sized, home-grown retailers, and with it their local workforce. Ultimately, successful counter campaigns of this type have led community coalitions to question the sustainability of outright city and county bans and thus promote alternative methods for establishing and reinforcing big-box accountability standards. For our purposes, some of the more interesting efforts are those designed to help low-to-moderate income families and small business owners by establishing project-specific living wage, job creation,
income-stabilization, and small business access requirements. At the cutting edge of this accountable development movement is an effort to negotiate a Community Benefits Agreement (CBA) affecting big-box retail stores.

A CBA is a legally-enforceable contract between a private or public developer and a community coalition—usually made up of community non-profit organizations—that provides the developer, the nonprofits and their constituents (who may include the working poor), and the population at large with goods and services of direct and indirect value. The agreements typically obligate the affected developer to pay living wages and, in many cases, to establish hiring and living wage goals for tenant and contract employers at these sites. They also establish standards for health care coverage for low-income workers. In order to help low-income groups secure quality jobs and career-advancing training supports, CBAs often include first source hiring agreements that require businesses and commercial interests to work with a specified labor market intermediary in order to fill specific types of job openings. CBAs are also being used to increase the supply of affordable housing and to give the working poor access to key services that can improve their livelihoods through housing upgrades, secure parking, and bulk food discounts. In exchange for these community benefits, developers typically receive the support of the community coalition when negotiating with elected officials and city planning agencies. In most cases, coalition support helps to expedite the development planning process.

The application of the CBA model to big-box retail is a fairly recent phenomenon. Most of the early CBAs, while certainly applicable to big-box retail had the projects included this kind of establishment, involved commercial and retail developments with
smaller-scale retail establishments. The first step towards formalizing a CBA with a big-box retailer was taken in 2000 when the City of Chicago negotiated a memorandum of understanding with Costco providing for a discrete, city-run training program for residents of a nearby public housing development, which in effect was equivalent to a one-time first source hiring program (Memorandum of Understanding, 2000). In early 2006, a community coalition in New York successfully extended the CBA model to a large-scale retail redevelopment project, Gateway Center at Bronx Terminal Market, and in the process influenced the employment and operating practices of one of the development’s lead big-box tenants, BJ’s Wholesale Club. This action—in conjunction with successful campaigns against big-box bans—has resulted in growing interest by community groups to extend the CBA model to influence other big-box retail developments. As one example of current developments, negotiations are underway to establish a CBA with a Costco store in Los Angeles. Our goal in this paper is to facilitate this process by examining the challenges of and opportunities for applying the CBA model to big-box retail.

With this goal in mind, we identified a universe of 16 in-place CBAs and conducted an in-depth analysis of seven. Our analysis is motivated by the following questions.

- What is the state of the practice of Community Benefits Agreements?
- What are some of the conditions that influence the climate for developing Community Benefits Agreements with big-box retail enterprises?
- What additional accountability tools or organizing strategies are needed to support the extension of Community Benefits Agreements to big-box retail enterprises?

To answer these questions, we used a two-tiered research methodology. First, we systematically summarized in a high level of detail each selected agreement’s content.
with respect to labor practices, other types of benefit, monitoring, recordkeeping, governance, and enforcement. Second, in July and August 2006, we conducted a series of in-depth interviews with advocacy organizations that have helped to launch CBA campaigns in Northern and Southern California. These interviews provided us with important insights into the CBA campaign process and also allowed us to compare and contrast the events leading to a CBA campaign victory or failure.

It is important to note that with the exception of the Gateway Center at Bronx Terminal Market, the seven agreements examined for this policy brief have been applied to developments that do not include big-box retail establishments. All but two, however, do entail some kind of proposed retail activity. We believe an in-depth comparative analysis of different types of CBA initiatives is still important because it provides us with a better understanding of the CBA process and the potential challenges that might arise as community groups work to extend this accountability tool to big-box retail. At the same time, it allows us to consider the ways in which future CBA campaigns applied to big-box retail might vary with a community’s political and economic context.

We are focused on CBAs, while understanding they are one means community and environmental groups and unions are using to achieve sustainable economic growth that creates middle-class employment and to increase the accountability of local officials for their development decisions. Community benefits agreements thus may not be ends in and of themselves but the means toward what Fung and Wright (2001) would describe as a sustainable and “empowered deliberative democracy.” The agreements express in operational, legally enforceable terms a community’s expectations for the labor-related dimensions of a proposed development. They are also experimental and, in general, too
new for a comprehensive evaluation of implementation. Therefore, we present our study as an exploration of an option for grassroots activity where conventional regulatory approaches to placing big-box retail on the high road either have not been adopted or do not address labor concerns.\textsuperscript{4} While beyond the scope of this paper, we encourage evaluation research in order to measure the actual impacts of CBAs and determine whether this particular type of strategy offers greater improvements when compared to other types of state and local policy interventions and development contracts (Reese, 1998; Weber, 2002).

The remaining sections of this paper are organized as follows. The next section distinguishes CBAs from other types of deals among private sector, governmental, and nonprofit organizations intended to distribute some of the gains from development to labor and the general public: project labor agreements and development agreements. We then, in Sections III and IV, describe the procedures we used to identify CBAs, summarize and compare the CBAs in our sample, and present a more extensive summary of a very notable CBA involving the Los Angeles Sport and Entertainment District Project. Section V conducts a general strategic assessment of the potential for an expanded application of CBAs to developments involving big-box retail. The concluding section adds emphasis to a finding of the strategic assessment: extension of the existing community benefits agreement model to increase the benefits of big-box retail for the working poor is likely to require use of additional tools of accountable development: specifically, in conjunction with a discerning understanding of the differences in big-box retail business models, comprehensive quantitative assessments of the local and regional
social costs of proposed big-box retail development and complementary labor-themed documentary studies.

II. Comparison of Community Benefit Agreements, Project Labor Agreements, and Development Agreements

CBAs belong to a larger family of development agreements designed to address local and regional socioeconomic concerns. Unions, for example, have long supported project labor agreements which commit the developer qua employer to hire all or almost all construction workers from the designated union hiring halls and to pay the specified wages and benefits. These agreements establish clear criteria for setting project work times and hours and monitoring working conditions. They also ensure project stability by requiring construction workers and contractors to use specified grievance procedures rather than unannounced or unauthorized forms of work stoppage (Siegel, 2001, pp. 297-298). Elected officials, for their part, also use Development Agreements (DAs) to guide the development planning process. City- or county-backed DAs essentially “freez[e] the existing zoning regulations applicable to a property in exchange for [developer financed] public benefits,” such as roads, sewers, schools, public parks and open space (Schwartz, 2001, p. 720).

Given the availability of those other approaches to influencing development, why is a growing number of community coalitions promoting Community Benefits Agreements? For starters, they are coalition-driven rather than labor-driven and therefore create opportunities for other types of organizations to participate in the local planning process. While most CBAs do have strong support from a union labor council, their promotion by other partner organizations helps to broaden the definition of public
accountability. As a result, locally-driven concerns—affordable housing, subsidized transportation and childcare, improved (post-construction) job opportunities, small business assistance—get added to the primary list of local demands, rather than tacked on as secondary concerns. Therefore, given the broad-based nature of most CBA-supporting coalitions, agreements of this type are often designed to address a wider set of concerns for low-to-moderate income families, compared to more narrowly defined project labor agreements. Equally important, CBA campaigns create an alternative vehicle for action in regions, such as the U.S. South, that have limited union representation and power.

As indicated above, city and county-based development agreements, like CBAs, can also be more encompassing in their initial design. A prerequisite for such development agreements is the willingness of elected officials to enter into negotiations on behalf of more marginalized socioeconomic groups. In cases where that prerequisite is not met, a CBA enables coalition groups to initially bypass formal planning processes and negotiate directly with real estate developers and their target tenants. At the same time, a CBA campaign allows community coalitions to “educate” elected officials—and for that matter, the general public—about the pressing needs of low-income residents and working families. Interestingly, several CBA campaigns have resulted in traditional development agreements or hybrid CBA-DAs, due in part to initial developer resistance. As one example, the Oak-to-Ninth CBA campaign in Oakland (California) resulted in both a CBA in August 2006 that influenced the hiring and employment practices of the project developer and a city-backed DA for establishing affordable housing goals for the proposed residential development. While additional research is needed to understand the conditions under which proposed CBAs take on a more traditional DA format, it is
important to recognize that these cases are still viewed as local successes because they often result in widening city support and recognition for the CBA coalition and its broader economic justice mission. Member organizations, in turn, use their resources and regional networks to monitor exchanges between the developer and elected officials and use public and political events to enforce (and also praise) the move towards standards compliance.

We next turn to an examination of existing CBAs in order to identify the specific income and employment benefits they provide to low-income working families. We subsequently use that survey to underpin an assessment of the applicability of the CBA model to grassroots attempts to influence big-box retail development.

**III. Survey of Community Benefit Agreements**

Our search for CBA agreements initially began with the Community Benefits Agreement handbook published by Good Jobs First and the California Partnership for Working Families (Gross, 2005) and the CBA issue brief published by the Neighborhood Funders Group (LeRoy and Purinton, 2005). We supplemented this search using Internet resources, allowing us to identify 16 signed CBAs and one county resolution, the Park East Redevelopment Compact, that expresses the intent of the Milwaukee County Board to develop CBAs for county-owned land that will be sold to private developers.\(^7\) The earliest CBA was signed in 1997, and the most recent, in summer 2006. All but one of the CBAs involve private sector developers. This attribute is especially important, given our interest in extending the CBA model to influence the behavior of other private-sector actors, namely big-box retail establishments.
We selected seven CBAs for in-depth examination: Los Angeles Sports and Entertainment District Project (2001); North Hollywood Mixed-Use Redevelopment Project (2001); SunQuest Industrial Park (2001; Los Angeles); Marlton Square Redevelopment Project (2002; Los Angeles); Hollywood and Vine Mixed-Use Development Project (2004); Gateway Center at Bronx Terminal Market (2006); and Yale-New Haven Hospital Cancer Center (2006). To be included in the sample, the text of a CBA had to be available for analysis, in a format that would allow use of qualitative data coding software (Atlas.ti). The sample size was determined by resource considerations. The sample provides good coverage of the Los Angeles-based agreements whose coalitions were led by or involved the acknowledged innovator of CBAs, the Los Angeles Alliance for a New Economy (LAANE). Of the seven selected CBAs, LAANE was a coalition member in all but the Gateway Center at Bronx Terminal Market and Yale-New Haven Hospital Cancer Center agreements. Therefore, the sample illustrates the accomplishments of the community coalitions with the greatest experience with CBAs, while including other agreements for contrast.

Our summary of the selected agreements encompasses only the agreements themselves but not any side agreements. To guide the processes of summarizing and comparing the selected agreements, we developed two sets of attributes. The first set (38 attributes) allows us to systematically identify the provisions pertaining to living wages; preferential hiring; affordable housing; health care and health insurance; and worker training. That set of attributes is of the greatest interest here because they capture the content of an agreement most directly influencing its ability to benefit the poor and the working poor through income and income equivalents (I&IE). The second set (32...
attributes) pertains to other types of provisions relating to the overall governance and enforcement of an agreement, coalition support for the developer or business tenants of the development, the developer’s obligations (other than those to which the I&IE provisions refer), and environmental quality such as site design review, traffic, air pollutant emissions, and other nuisances. Our coding procedure ensures consistency across the sample.¹¹

Our first analysis examines the richness of every agreement. Richness is our term for the breadth of an agreement, and the statistic is the number of an agreement’s attributes, either in total or in a specific subset. We conducted that analysis primarily to assist with selection of the agreement that will serve as an exemplar for this policy brief. To keep our agreements summary to a reasonable length, we adopt a narrative strategy of liberally quoting or paraphrasing one agreement and making briefer allusions to the other agreements. Therefore, we needed a systematic way of selecting the exemplar. We base our selection on the richness statistics.

The Los Angeles Sports and Entertainment District Project (LA Sports) CBA stands out because of its richness. Its scores are 48 with respect to all types of attributes and 25 with respect to the I&IE attributes.¹² The next richest agreement depends on the selection criteria, either I&IE or total attributes. The Gateway Center at Bronx Terminal Market CBA is second with respect to all attribute types but fifth with respect to the I&IE attributes. Conversely, the Hollywood and Vine Mixed-Use Development Project CBA is second with respect to the I&IE attributes but third on all attribute types. The Yale-New Haven Hospital Cancer Center Project CBA is the least rich, scoring 16 (all types) and 6
(I&IE). The LA Sports CBA is our exemplar and will receive a more detailed examination in the following section.

The Los Angeles-based CBAs, all of whose coalitions included LAANE, are the richest. They are also similar in scope to each other. We define scope similarity as the overall extent to which the attributes are present in two agreements or absent in both. Expressed operationally, for a pair of agreements of interest, their scope similarity is the proportion of all attributes present or absent in both. The scope similarity values for the Los Angeles CBAs range from 63%–92%. Those results suggest the presence of a consistent Los Angeles model for community benefits agreements. That finding is significant for practitioners and researchers. Practitioners need examine only one or two of the Los Angeles-based CBAs when determining whether that approach would work in their context. For researchers, a definite “central tendency” implies that a future study of the evolution of CBAs could meaningfully investigate whether the Los Angeles agreements, which reflect the work of LAANE’s staff, served as the seed of a diffusion process.

For each selected CBA, the I&IE attributes that are present are shown in Table 1. The table also reports each attribute’s prevalence in the sample: the proportion of CBAs in which the indicated attribute appears. In the Los Angeles CBA model, the first source (FS) policy and living wage (LW) policy are paramount and our summary of CBAs focuses on them. First source hiring and referral policies establish hiring goals for both the developer and tenant companies and often require both to use a pre-approved “job developer” to identify, screen, and train prospective employees. Living wage policies
<table>
<thead>
<tr>
<th>Attribute</th>
<th>Gateway Center</th>
<th>LA Sports</th>
<th>North Hollywd.</th>
<th>Yale-NH</th>
<th>Hollywd. &amp; Vine</th>
<th>Sunquest</th>
<th>Marlton Square</th>
<th>Prevalence (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility--taxi/transit</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Food stamps and/or WIC**</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>FS coalition management</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>FS default</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>FS employer financing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FS exemption-small business</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>FS failure notification</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>FS hiring goals aspirational</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>FS hiring goals mandatory</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FS hiring notification</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>FS hiring program/policy</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>FS mandatory for developer</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>FS mandatory for tenants</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>FS onsite</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>FS prescreening</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>FS reporting</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>FS targets location</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>FS targets special needs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>FS training support</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Health care</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Health insurance</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>Local source-MBE and/or WBE</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>LW details to be defined</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>LW default</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>LW exemption-small businesses</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>Attribute</td>
<td>Gateway Center</td>
<td>LA Sports</td>
<td>North Hollywd.</td>
<td>Yale-NH</td>
<td>Hollywd. &amp; Vine</td>
<td>Sunquest</td>
<td>Marlton Square</td>
<td>Prevalence (%)</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------------</td>
<td>-----------</td>
<td>----------------</td>
<td>--------</td>
<td>----------------</td>
<td>----------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>LW goals aspirational</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>LW goals mandatory</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>LW city/county ordinance</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>LW policy/program</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>LW reporting</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>LW tenant notification</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>LW tenant meeting provision</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>Membership subsidy</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Parking preference</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Relocation assistance</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Worker retention goals</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>Worker training</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>71</td>
</tr>
</tbody>
</table>

* A 1 denotes an attribute’s presence in a CBA, i.e., the attribute is incorporated in one or more provisions.
** The provision obliges the developer to condition any lease with a warehouse club tenant on the tenant’s willingness to accept Food Stamps and coupons provided by the U.S. Government’s Special Supplemental Nutrition Program for Women, Infants, and Children. FS = first source.
LW = living wage.
MBE = minority business enterprise.
WBE = women’s business enterprise.
Prevalence = proportion of selected CBAs in which the indicated type of provision appears (row total divided by seven).
complement first source policies by defining minimum wage and benefits thresholds for target job classifications. While first source and living wage policies are typically a CBA’s most important income support, additional income-equivalent provisions such as a residential parking permit program, service worker retention, responsible contracting, and affordable housing may have similar importance in particular settings.

In an area with enforced restrictions on on-street parking and limited or costly off-street parking, for example, a residential parking permit program helps to reduce low-income residents’ expenditures on parking tickets. Similarly, service contractor worker retention policies increase job security for low-wage employees by, for example, prohibiting for a certain period of time a new contractor from laying off a previous contractor’s employees. A responsible contracting provision prohibits or provides a disincentive to a developer for hiring contractors or selecting tenants who have violated labor or worker safety laws. As Table 1 indicates, the LA Sports CBA contains all three of them and therefore warrants a closer qualitative examination of those additional income supports.

IV. LA Sports Community Benefits Agreement

In the LA Sports CBA, the FS policy facilitates “the customized training and employment of targeted job applicants in the [Los Angeles Sport and Entertainment District] Project” with “a mechanism whereby targeted job applicants will receive job training in the precise skills requested by employers in the Project” and with “a non-exclusive system for referral of targeted job applicants to employers in the Project as jobs become available” (2001, p. A-7). The targeting of applicants assigns priority on the basis of location and of income. The location criterion operates as a form of relocation
assistance because the first priority applicants include persons displaced by the STAPLES Center. The applicants qualifying on the basis of the income criterion must live in a household whose income does not exceed 80% of the median income in Los Angeles County. The FS policy benefits the targeted population by providing for training of immediate value and ensuring priority consideration for hiring (see below). It benefits the participating employers by providing a pool of prescreened applicants trained in the skills specifically needed by the employers.

Adherence to the FS policy is mandatory for the employers whose place of business is in the Los Angeles Sport and Entertainment District Project and for those businesses (such as contractors) whose work site is in the project. Employers are obliged to notify the FS policy’s administrator of expected job openings, to hire only the targeted job applicants during specified periods after notification, to maintain records on job openings andhirings, and to submit to the administrator quarterly reports.

The FS policy sets an aspirational goal of hiring targeted job applicants for 50% of each employer’s openings in consecutive six-month periods. Provided that an employer is adhering to the requirements for notification, recordkeeping, and reporting, his or her failure to achieve the 50% goal will not result in sanctions, although the City of Los Angeles may request an explanation—and that prospect of scrutiny and bad publicity may provide an employer’s motivation for achieving the FS goals. After five years of operation at the project, an employer’s obligations under the FS policy come to an end.

The parties to the CBA agree to jointly select the nonprofit organization (“First Source Referral System”) that will administer the FS policy, and the developer will grant $100,000 to the selected organization. In its discretion, the developer will provide office
space in the project to the First Source Referral System. The First Source Referral System is both an administrator and labor market intermediary. Its most important administrative duties are to assist the covered employers with preparing reports on their compliance with the FS policy and to prepare an annual report to the City and to the coalition on employment of the targeted job applicants.

As labor market intermediary, the First Source Referral System aggregates employers’ notifications of job openings; recruits, screens, and refers targeted job applicants; follows employers’ hiring actions; and coordinates job training. Employers have the option of providing information on the specific skills job applicants should have to the First Source Referral System. The latter will apprise job training organizations, including those that work with disadvantaged populations, of those needs.

The LA Sports CBA’s living wage policy sets an aspirational goal for the developer, contractors, and tenants: 70% of the onsite jobs should pay a living wage or otherwise qualify as “living wage” jobs. A job qualifies as a living wage job if it is covered by either a collective bargaining agreement or Los Angeles’ Living Wage Ordinance, or pays a specified rate; the target rate depends on whether the employer provides health insurance and on cost-of-living adjustments.

To facilitate achievement of the living wage policy’s goal, the agreement provides for supportive measures, recordkeeping, monitoring, and adaptive measures triggered by performance problems. The developer must apprise the coalition of the identity of prospective tenants (but not contractors), arrange and attend meetings between the coalition and prospective tenants (if the coalition requests), and consider prospective tenants’ impacts on the living wage policy’s goal. Another supportive measure is the
Living Wage Incentive Program that, at the time of agreement signature, the Los Angeles city government, developer, and coalition were developing but which appears as of fall 2006 to be unfinished.\textsuperscript{22}

A tenant’s responsibilities under the CBA’s living wage policy are twofold. First, a prospective tenant must agree to meet with the developer and coalition to discuss the living wage policy and goals. Second, an actual tenant must submit an annual report to the developer containing the numbers of onsite jobs, living wage jobs, and living wage jobs that have employer-provided health insurance.\textsuperscript{23}

The developer then compiles this information and submits an annual living wage report to the Los Angeles City Council’s Community and Economic Development Committee. If the developer submits timely reports and honors its obligations to the coalition regarding tenants, the developer will fully comply with the policy.

Even though the developer’s compliance with the living wage policy is exclusively conditioned on procedural responsibilities, the developer and coalition will periodically review substantive accomplishments.\textsuperscript{24} If fewer than 56\% of the jobs satisfy the living wage criteria in any consecutive two year period, the develop and coalition will meet to discuss corrective action.

We learned from our interviews that, in addition to the meet-and-confer approach to dispute resolution, the LA Sports CBA is enforceable against the developer either through binding arbitration or in court. The technicalities are specified in a document, the “Cooperation Agreement,” which is separate from the Community Benefits Agreement itself. The Cooperation Agreement is confidential, and we did not have access to it.
We will conclude our summary of the selected CBAs with observations on the institutional structures created by the first source and living wage policies. Using the LA Sports CBA as the example, the policies’ constituent elements are represented by a single template with five essential elements: goals (G), workers (W), employers (E), monitoring and enforcement (M&E), and cooperating organizations acting as a labor market intermediary (LMI) – see Figure 1. The labor market intermediary comprises the coalition and any community-based job training organizations whose services are deployed on behalf of the job applicants targeted by the CBA. The coalition is the hub of the functional relationships created by the first source or living wage policy.

The organizations involved in the first source and living wage policies, especially the coalition and developer, are further bound together by a distinctive governance structure, i.e., the “institutional matrix within which transactions are negotiated and executed” (Williamson, 1979, p. 239). If the developer’s efforts to implement the LA Sports CBA fail to achieve the 56% living wage goal, the “developer shall meet and confer with the Coalition at the end of such two year period to determine mutually agreeable additional steps which can and will be taken to meet the Living Wage Goal” (p. A-4). The first source policy uses nearly identical language.25 Using Williamson’s terminology, the institutional matrix thus articulated is a relational governance structure. The hallmarks of relationality are equal authority over a flexible contractual relationship, incompleteness in the delineation of both significant contingencies and corresponding
adaptations, a genuine concern with process, and a commitment to work through problems rather than to terminate the relationship.

Further, in other places in the agreement, a type of communalism also is evident. The developer and coalition “by mutual agreement” will select the consultant employed to conduct a parks and open space needs assessment and will determine the area in which the developer will spend $1,000,000 on recreational facilities (p. A-2). They will work together on the design of the residential parking permit program (p. A-3), on the selection of someone who will assist the coalition with traffic issues (p. A-4), and on the affordable housing program (p. A-12), and to establish an Advisory Committee “to assist with implementation of this Community Benefits Program, address environmental concerns and facilitate an ongoing dialogue between the Coalition and the Developer” (p. A-13).

For the LA Sports CBA in particular and the Los Angeles CBA model in general, it is apposite to recall an observation made by MacNeil (1978) in his classic study of contracts: “at this point, the relation has become a minisociety with a vast array of norms beyond the norms centered on exchange and its immediate processes” (p. 901). How might other organizing and assessment tools, such as a social impact assessment process, facilitate formation of such minisocieties? Is it possible to imagine multiple neighborhood/labor coalitions and big-box retailers engaged in the tasks of founding community benefit working groups and consenting to community benefits agreements? We sequentially answer those questions in the next section.
V. Strategic Assessment

The primary purpose of our strategic assessment is to characterize the prospect for expanded use of CBAs to influence big-box retail stores. An assumption guides our assessment: CBAs are but one policy instrument available to communities interested in hosting additional development but doing so in a manner that conditions the actions of private enterprise on a vision of social welfare expressed by neighborhood coalitions. The most salient among those additional accountability tools are social impact assessments (SIAs, operationally defined below) and design and regulatory strategies (Evans-Cowley, 2006). Therefore, our strategic assessment also proposes an integrated approach to the mechanisms through which CBAs can be expanded and encouraged to influence big-box retail developments.

The strategic assessment applies to both mixed use developments in which a big-box retail store is one of several tenants and to single-purpose developments in which a big-box retailer is the only tenant. As big-box retailers move from their traditional suburban locations to dense urban markets, they tend to locate new facilities in urban commercial and mixed-use developments such as the Edgewood Retail District in Atlanta and the “Heart of the City” project in Burnsville, Minnesota (see Evans-Cowley (2006) for other urban examples). As demonstrated by the Gateway Center at the Bronx Terminal Market CBA, mixed-use development allows the scope of CBAs to be extended to big-box retail tenants. Big-box retailers in both urban and suburban locations often receive sizeable public subsidies (see below). This, in turn, creates additional opportunities for community coalitions to ask for community benefits in exchange for those investments.
We begin our strategic assessment with an analysis of the conditions under which CBAs have developed and could develop, focusing on two contextual attributes: public subsidies provided to a big-box retailer and the significance to the retailer of hourly-employee turnover. To simplify the exposition, we assume a freestanding big-box retail store. The broad implications of our strategic assessment would be unchanged if the development were mixed-use.

Subsidies are provided to big-box retail directly and indirectly by government at all levels in many forms. Among them are free or reduced-price land, infrastructure assistance, tax increment financing, property tax breaks, state corporate income tax credits, sales tax rebates, and tax-exempt bond financing (Mattera and Purinton, 2004). Big-box retail also benefits from their employees’ use of the social safety net because consumption of publicly-provided goods and services reduces the employees’ demands for higher wages and benefits. For example, Dube and Jacobs (2004, p. 1) found that Wal-Mart’s “substandard wages and benefits” lead many of its employees and their families in California to depend on food stamps, Medi-Cal, and subsidized housing, consuming $86 million annually of services provided by public assistance programs. To corporations, the value of public subsidies is obvious. The subsidies are also highly important to the neighborhood coalitions for tactical reasons, i.e., their bargaining power presumably correlates with the subsidies’ magnitude.

Labor costs for hourly employees and employee turnover are of paramount importance to the profitability of big-box retail, but business models differ significantly in the sector. For example, Costco enjoys satisfactory profitability with wages and benefits substantially exceeding Wal-Mart’s (Greenhouse, 2005a, 2005b) and an
employee turnover rate of approximately 24% per year (Herbst, 2005) or less, substantially below either Wal-Mart’s or the industry’s average. A corollary of low wages and benefits is increased employee turnover, which in Wal-Mart’s experience has exceeded 60%; its current rate appears to be 44% - 50% (“Wal-Mart: How big can it grow?,” 2004; Herbst, 2005). This impressive difference in employee turnover suggests a systematic difference in retailers’ understanding of and interest in the consequences for profits of employee turnover. Therefore, for our purposes, we summarize the difference in big-box retail stores’ business models on the basis of a retailer’s perceived interest, due to foregone profit, in hourly-employees’ turnover.

Table 2 captures the strategic significance of the two contextual attributes—public subsidies and business models—for the climate for developing big-box retail CBAs. The most conducive context results from the combination of a large subsidy that a local government would provide to a retailer and must visibly provide, and a business model supporting turnover-reducing expenditures on hourly employees. The community coalition has leverage due to the obvious subsidy, which, of course, is the retailer’s certain benefit. The retailer could obtain a second immediate benefit: investments in first-source and living-wage programs may return incremental gains with respect to reducing hourly-employee turnover. The converse scenario generates a context that is the least conducive to developing a CBA because the community coalition has little or no leverage, and the retailer stands to gain nothing: subsidies are not in play and, to a retailer disinterested in reducing the cost of hourly-employee turnover, a CBA’s labor provisions have no private value.
### Table 2. Effect of Context on Climate for Developing Big-Box Retail CBAs

<table>
<thead>
<tr>
<th>Development Context: Public Subsidy</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Model:</strong> Retailer’s Interest in Cost of Hourly Employee Turnover</td>
<td><strong>High Interest</strong></td>
<td>Most conducive context</td>
</tr>
<tr>
<td></td>
<td><strong>Low Interest</strong></td>
<td>Motivation high for coalition but uncertain for retailer</td>
</tr>
</tbody>
</table>

In the other two scenarios, the prospects for CBAs are a priori unclear. Absent subsidies, in the short term, the CBA carries nearly the full weight of motivating the community coalition and retailer to strike a deal. The retailer’s business model intrinsically justifies employer-provided training and additional turnover-reducing expenditures, and we would expect the retailer to be able to independently provide for its labor needs. Consequently, the CBA’s labor provisions would need to provide the retailer with immediate benefits such as reduced expenditures on employee recruitment and training, perhaps straining the ability of the coalition to deliver. Nonetheless, the retailer would benefit from any acceleration or increase in the certainty of the local government’s development review that coalition support would encourage. A coalition would have little to gain in the short term and little leverage because the retailer offers good jobs and does not need to justify a public subsidy. However limited the incentives provided by those considerations, longer-term strategic considerations may come into a play and change the parties’ calculations. For example, anticipating future projects which would work only with subsidies, a retailer may want to position itself favorably before the city council by agreeing to a CBA for a current project. Future projects may require a sizeable well-trained work force, and a CBA could help increase the supply of trained labor. A
coalition may perceive opportunities to learn by doing and to reinforce the member organizations’ commitments to the coalition through the CBA campaign.

In the subsidy/low-turnover interest scenario—in which we would expect to find many big-box retail stores—a desire for enhancing the community’s return on a public subsidy motivates the community coalition to seek a CBA, but the value of a CBA to the retailer may appear low because its profitability is not increased by living wage programs, first source hiring provisions, and the other investments in the labor force typically induced by CBAs. Nonetheless, through organizing an accountable development campaign and thus inspiring local government to condition development subsidies on CBAs, a coalition may be able to substantially improve the climate for such agreements.

Our strategic assessment also leads to the recognition of the desirability of integrating community benefits agreements and social impact assessments, which are currently treated as separate, unrelated entities processes. An SIA of big-box retail development would predict the effects of the proposed development on the supply and prices of the goods and services to be sold by the retailer; wages and fringe benefits; existing retailers’ viability; retail employees’ consumption of social safety net services and the consequent expenditures of local, state, and national governments; local governments’ expenditures on infrastructure; tax revenues accruing to local government; and environmental quality. We will argue that coordination of CBA and SIA processes is desirable because of the synergy that will be realized, but we begin our discussion of SIA with a brief consideration of a tactical—as opposed to substantive—reason for coordination.
Tactically, coalitions can use SIAs to operate outside the box depicted in Table 2, i.e., to increase a retailer’s motivation to negotiate a CBA and to increase local elected officials’ support for the agreement. Rachel Weber observes that the power of community-based movements for accountable development is increased by “their ability to raise awareness of the [development] deal terms, which may shame companies and the local governments that subsidize them into better behavior” (2004, p. 9). In a locale with a typical living wage ordinance (one targeting government service contracts with private sector businesses), the primary contribution of a CBA’s living wage provisions is to extend the scope of such requirements to include additional businesses. Therefore, a CBA-focused accountable development campaign should be able to draw on the parties who previously advocated the living wage ordinance, reenergizing a respected, potent political force that can be tapped when negotiating a CBA. An evolutionary path for institution building appears in which successful advocacy of a living wage ordinance facilitates subsequent negotiation of community benefits agreements, the prospects for which are further strengthened by social impact assessments.

Substantively, we would expect a CBA to be strengthened by a well-designed SIA, at the same time that the assessment would be most valuable when prepared with the intention of shaping development. After briefly situating SIAs vis-à-vis urban development proposals, we will recommend changes in SIA procedure, and parallel changes in the scope of CBAs, that are essential for placing big-box retail on the high road.

The desirability of linking impact assessment and development negotiations was recognized some time ago – and recently rediscovered. Two decades ago, using language
strikingly similar to that in today’s accountable development campaigns, Susskind (1987, p. 14) encouraged community groups, developers, and local elected officials to engage in “joint fact-finding and out-in-the-open negotiation” that would culminate in a “collaborative impact assessment” and “informal written agreements that can be incorporated into official permits or zoning changes issued by the city.” The gains to the general public would be compensation and mitigation of adverse impacts, and the gains to the developer would be public support and efficiency, the latter being the allocation of resources to solving the most significant problems.

Labor unions and community groups involved in the Los Angeles CBAs recently advocated adoption of a city-wide policy calling for preparation of Community Impact Reports (Growth With Justice Coalition, 2003a, 2003b), and, in response, the Los Angeles City Council adopted in 2004 an ordinance requiring, for certain proposed supercenters, preparation of economic impact analysis reports. A Community Impact Report would be quick (several months), brief (30 pages), and comprise assessments covering: local government finances; employment; affordable housing; neighborhood needs; and smart growth. To be precise, the recommended scope for the fiscal assessment is “the costs and benefits to the public agencies responsible for the project;” that of the employment assessment is the “number, type and accessibility of jobs to be created by the project;” that of the neighborhood needs assessment is “a project’s retail benefits and the service needs facing the affected neighborhood, such as the need for parks and childcare;” and for the smart growth assessment, “whether the project will make a neighborhood more livable” (Growth With Justice Coalition, 2003a, p. 4).
The Los Angeles zoning code requires applicants for conditional use permits for supercenters in Economic Assistance Areas to prepare an “economic impact analysis report” (Los Angeles Municipal Code, §12.24 U 14(d)(2)(i) – (x)). An applicant must predict the physical displacement (if any) of existing businesses and impacts on existing grocers and retailers, affordable housing, green space, supply of goods and services, jobs, City tax revenue, reuse of the property if and when the supercenter ceases operations, and urban blight. The geographical scope of an Economic Impact Analysis Report is limited to an area enclosed by a circle, six miles in diameter, centered on the proposed supercenter.

Our proposal is similar to Community Impact Reports and Economic Impact Analysis Reports, but it differs in these important ways: 1) we advocate SIAs with a substantially broader scope, 2) university-based labor/planning research centers should launch programs to prepare SIAs of big-box retail, and 3) the technical information in the assessments should be complemented with systematically-obtained qualitative information on both the target population’s employment needs and the experiences of low-income workers who have worked in big-box retail stores. We also propose an expansion of the scope of Community Benefits Agreements.

The projects taking the form of big-box retail, especially supercenters, have the potential to transform the region in which they are situated because it is probable that multiple stores will be opened (or expanded) in a short period of time, but even one big-box retail store can have effects in multiple counties. The supply of goods and services and the demand for labor shift not only in the markets of which the locus is the immediate neighborhood of the new store but in the region’s markets. Parallel changes
in freight movement, commuting, and shopping trips occur. Such widespread impacts generate unique demands for information that cannot be satisfied by the proposed Community Impact Reports or Economic Impact Analysis Reports. In addition, we propose two levels of impact assessment: site-specific (one store) and sectoral (multiple stores assessed simultaneously).

An example of a sectoral assessment is Boarnet and Crane’s (1999) projection of the impacts attributable to the operation in southern California of Wal-Mart supercenters. Because Wal-Mart had announced aggressive plans for opening supercenters in the region and because the company builds mammoth distribution centers to achieve efficient product distribution, the event that was assessed was operation of the average number of new supercenters that one would expect the company to supply from one distribution center, 47 or 57 supercenters. Boarnet and Crane quantitatively projected the consequences for several of the topical areas of great interest to community groups: employment, wages and benefits including health insurance, and municipal finances. They also discussed qualitatively the impacts on land use (store vacancies) and on the health of those persons losing health insurance. Because they used the tools of economics, portraying the outcomes of the competitive forces allowing a low-wage entrant to capture customers from existing stores and to reduce wages and benefits, Boarnet and Crane projected net impacts on employment, compensation, and sales taxes. Finally, they also projected the indirect consequences of grocery workers’ reduced wages and benefits, whose reduced spending dampens the region’s economy. Nonetheless, the study is incomplete in an important respect because lower prices for food and other merchandise are beneficial to consumers, but those benefits are not assessed.
The major contribution of a sectoral assessment to the formation of a community benefits working group would be assistance with each organization’s strategic planning during the preliminary phase when the crucial decision that must be made is whether to participate in the creation of a working group. Each potential member would privately draw its conclusion about whether the projected impacts are sufficiently important to its constituency or shareholders to justify an investment in the effort required to successfully negotiate a community benefits agreement, including, at least for the community organizations, a substantial effort to organize a coalition and to motivate the grassroots.\(^{33}\) As in the example of Boarnet and Crane’s assessment, a sectoral assessment conducted on a scale that does not identify the neighborhoods and subpopulations at risk does not provide the detail necessary for developing a community benefits agreement, which, as our summary in Sections II and III shows, would need first source hiring and local purchasing provisions rich with geographical specificity.

The need for site-specific assessments is evident. Notably, they have been advocated by groups involved in CBA campaigns, for example, the Growth With Justice Coalition (2003a). Yet, at least in the context of big-box retail, they recommend assessments with a too narrow scope, which would limit the contribution of Community Impact Reports to shaping a CBA’s living wage provisions. The Growth With Justice Coalition anticipates brief statistical reports “focused principally on providing statistical information with a minimum of narrative or analysis required” (2003a, p. 4). Their recommended scope would not capture subsidies provided by state and national governments, and it would overlook these labor-related impacts: 1) effects mediated by labor and product markets that affect workers and businesses in the proposed big-box
retail store’s market area but not in the store’s immediate vicinity and 2) changes in regional accessibility via public transit to employment and to retail goods.

Our argument is that the site-specific SIAs must employ retail market models and transportation network models. Without those tools, developers will be less able to convey the full benefits of their proposed developments and to appraise the efficiency of proposed mitigations. Without a richer, empirically-grounded projection of impacts on existing retailers and on the working poor and the poor as employees and consumers, community groups will not have all the information they need to press for comprehensive mitigation.

University-based researchers, working with private-sector consultants, should make a concerted effort to obtain funding for applied research on big-box retail, especially site-specific and sectoral SIAs and documentary studies (see below). The reasons for this recommendation pertain to both technical capability and independence. In our subjective opinion, universities and consulting firms are considerably more likely than community groups to possess the quantitative skills for developing and/or applying the simulation models that would project the impacts mediated by product and labor markets. Because their assessments would not be constrained by the limitations imposed by government requirements, such as the Los Angeles supercenter ordinance, academic researchers and consultants would be free to prepare assessments with a sufficiently broad scope.

In each area where an SIA is conducted, it should be complemented with documentary studies relevant to shaping the labor components of CBAs and to creating a political climate conducive to CBAs. Thus we echo June Manning Thomas’s (2004)
recommendation for using narrative to facilitate community-based planning. After collecting oral histories from residents involved in grassroots redevelopment efforts in Detroit, she concluded that oral history contributes to creating a collaborative planning process, empowering individuals to direct change, aiding organizational development, and creating a transparent planning process (p. 66). Rafael (1997) also observed oral history’s empowering effects.

We hypothesize that, in our planning context, qualitative interviews and oral history would create similar and additional benefits. We see the need for qualitative interviews on the target population’s needs for job skills training and jobs with appropriate schedules. Such information would improve the effectiveness of first source hiring programs and the developers’ search for and selection of tenants. We encourage collection of multimedia oral histories conveying the work experiences of low-income persons who were recently employed by big-box retail stores. Their stories would illustrate themes in the debate over big-box retail’s labor practices. Audio recordings, images, and narrative writings would be unmatched in their ability to concretize the abstract, aggregate predictions made by an SIA. For the interviewed workers, the experience may be empowering, hence motivating participation in a CBA campaign. However important as an organizing tool for a specific campaign, we would equally emphasize the potential for the oral histories—as is true in general of contemporary documentary studies—to facilitate “progressive change by amplifying voices, advancing human dignity, engendering respect among individuals, breaking down barriers to understanding, and illuminating social injustices” (Center for Documentary Studies, n.d.).
Finally, an expansion of the scope of CBAs is also essential: they should include provisions that would temper the big boxes’ adverse effects on existing retailers and their employees and on government expenditures on the social safety net.\textsuperscript{36} Social impact assessments would assist by identifying the at-risk retailers and estimating business closures and layoffs. The at-risk businesses include not only retailers selling products that will be sold by the big box but also nearby noncompetitors (stores in the same shopping center selling unrelated merchandise and restaurants) whose sales depend to some degree on traffic drawn to the shopping center by the at-risk retailers. Those noncompetitors may be indirectly affected because the new big box draws their customers away from the shopping center. If we take the super-realistic view that the big box’s competitors in the shopping center will fail, the adverse consequences on their neighbors may be mitigated with design features that make the proposed development more attractive to them and their customers. Evans-Cowley provides several examples of big-box retail developments that have a New Urbanist, mixed-use character (2006, pp. 18-21). New Urbanism could be the new frontier for CBAs.

We recognize that any effort to develop a CBA entails not just negotiations but also coalition-building and a campaign lasting months (perhaps more than a year). The prerequisites for success include a grassroots organization that can commit its leadership, policy analysts, and organizers and obtain legal counsel. Those resource requirements are substantial and not easily met. More fundamentally, not every city or region possesses a public-interest group that would be able to launch and sustain a CBA campaign. Rigorous, localized assessments of the consequences of big-box retail should strengthen
the rationale for founding the requisite organization where it does not exist and could accelerate both development of such organizations and initiation of CBA campaigns.

VI. Conclusion

Big-box retail expansion generates sizeable burdens that lessen communities’ net gains from less expensive groceries and merchandise. As a result, city officials and community coalitions have taken steps to better regulate big box retail, initially through size limits and outright bans. The recent wave (and success) of corporate responses to these restrictions, however, is forcing many communities to consider alternative mechanisms for influencing those developments. In place of outright bans, communities are organizing to force big box establishments to adopt higher-order business practices, from wage hikes and improved benefits packages, to targeted job creation and small business assistance. Rather than asking whether big-box should be allowed in or allowed to expand, communities are increasingly asking the question, Big-box how?

Community Benefits Agreements are one method for holding big-box retail accountable to community economic development standards. In their original application to non-big-box commercial developments, Community Benefits Agreements have been designed to provide low-to-moderate income families with improved employment opportunities, income-stabilization supports, and entrepreneurial assistance. These are guaranteed through living wage policies, first source hiring and referral programs, and targeted small and minority-business provisions. The extension of the CBA model to big-box retail is therefore a natural one, in so far as it provides community coalitions with a well-tested, legal mechanism for establishing and enforcing local economic equity standards.
As community groups work to extend the CBA model to big-box retail, however, they should also consider using additional tools for assessing the short- and long-term and neighborhood- and region-wide economic costs of a proposed development, in conjunction with parallel labor-oriented documentary studies. University research centers have a role to play in conducting those assessments and studies and facilitating community groups’ access to them. At the same time, community groups need to work with a discerning understanding of the subtle yet important differences across big-box corporations in terms of their internal wage- and benefit-setting practices and worker retention policies. Related to this, communities need to identify and quantify direct and indirect sources of public subsidies and financial support. These efforts, combined, will not only facilitate application of the CBA model to big-box retail but more importantly will allow multiple communities to work together and coordinate information gathering and resource allocation in order to strengthen city- and region-wide demands for accountable big-box development.

**VII. Acknowledgement**

We are very grateful to Madeline Janis (Los Angeles Alliance for a New Economy) and to Rachel Weber (University of Illinois at Chicago) for incisive comments on an earlier draft.

**VIII. References**


IX. Notes

1 Dube and Wertheim (2005) and Dube, Eidlin, and Lester (2005) also review the methodologies used in other researchers’ retrospective studies, finding shortcomings in studies reporting beneficial effects of Wal-Mart on retail wage levels and employment.

2 In some communities, retail and commercial developments that receive public subsidies from a city or county are automatically covered under a local living wage ordinance. In these cases, a CBA may simply act to enforce ordinance compliance and expand the scope of income supports. In other regions, however, living wage ordinances apply only to government service contractors such as garbage collection and janitorial services and therefore a CBA represents an opportunity to promote living wage standards at other types of establishments.
Efforts toward an empowered deliberative democracy rely on the “participation and capacities of ordinary people,” they “institute reason-based decision making,” and “attempt to tie action to discussion” (Fung and Wright, 2001, p. 7).

Our policy brief does not examine either the evolution of CBAs or the factors that facilitated development of the signed agreements.

While a complete description of CBA coalitions is beyond the scope of this paper, it is important to recognize the diversity of represented interests, from labor organizations and environmental advocacy groups to neighborhood associations and ethnic and small business alliances.

The CBA requires the developer to hire a percentage of its construction workers from a pre-approved apprenticeship program. That program will not only result in quality job opportunities for low income residents of the city, it will also benefit this particular developer by increasing the local pool of qualified job candidates that will be available for his other Oakland-based projects.

We may not have identified every signed CBA because it is entirely possible that some have not been posted to Web sites.

The CBAs not in our sample are: Hollywood and Highland (1997; CBA unavailable); Costco (2000; Chicago); Adams/La Brea Redevelopment Project (2003; CBA unavailable; Los Angeles); Los Angeles International Airport (2004); Atlantic Yards (2005; Brooklyn); Ballpark Village (2005; San Diego); Cherokee-Gates Project (2006; Denver); Reseda Theater Adaptive Reuse Project (2006; Los Angeles); and Oak-to-Ninth (2006; CBA unavailable; Oakland, CA).


In some cases, the coalitions negotiated additional agreements with unions or local government, including project labor agreements. An examination of the totality of project documents is beyond the scope of this policy brief.

First, we developed the codes. Working independently, each researcher coded the same agreement. We compared our results, reached consensus, and refined the codes. We divided the task of coding the remaining agreements and coded them. Finally, one author reviewed the results of the coding process and made a small number of revisions. Because we are interested in the presence or absence of particular types of provisions and the meanings of the codes are obvious, errors of omission or of commission should be few.

The richness scores appear in the following table.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Gateway</th>
<th>LA Sports</th>
<th>North Hollywd.</th>
<th>Yale-NH Hospital</th>
<th>Hollywd. &amp; Vine</th>
<th>Sunquest</th>
<th>Marlton Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>43</td>
<td>48</td>
<td>34</td>
<td>16</td>
<td>36</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>&amp;IE</td>
<td>21</td>
<td>25</td>
<td>23</td>
<td>6</td>
<td>24</td>
<td>25</td>
<td>22</td>
</tr>
</tbody>
</table>

Among the Los Angeles CBAs, the Sunquest Industrial Park Project CBA is not highly similar to the others (63%–66%), except for the Marlton Square Redevelopment Project CBA (73%). The most similar (92%) are the North Hollywood Mixed-Use Redevelopment Project and Marlton Square Redevelopment Project CBAs.

The scope similarity for other CBA pairings typically is lower (47%–70%), suggesting that the Los Angeles model was not replicated in the Gateway Center at Bronx Terminal Market or Yale-New Haven Hospital Cancer Center Project CBAs.

The STAPLES Center is a nearby stadium and the home of the Los Angeles Lakers. The CBA establishes three levels of priority for referrals. Except for the displaced targeted job applicants (who may live anywhere), the referral priority correlates with proximity to the project.

More precisely, the income criterion refers to the median income of the relevant Metropolitan Statistical Area, which is Los Angeles County.

In the LA Sports CBA, a contractor is a non-tenant “business entering into a contract with the [project’s] Developer related to the use, maintenance, or operation of the Project or part thereof” (p. A-1).

The policy applies only to the on-site jobs not subject to conflicting hiring procedures specified in a collective bargaining agreement.

The developer comprises L. A. Arena Land Company and Flower Holdings, LLC.

The ordinance is codified at Los Angeles Administrative Code, Division 10, Chapter 1, Article 11, §10.37.
In the LA Sports CBA, a contractor is not a tenant and vice versa (p. A-1). Therefore, the developer’s responsibilities regarding tenants vis-à-vis the living wage policy do not apply to contractors even if the latter lease space at the project.

The agreement also expresses the coalition’s intention to apprise tenants of the Health Insurance Trust Fund then under development by the city government.

Presumably, contractors must provide the same types of information to the developer. Otherwise, the developer would not be able to comply with its reporting requirement under the CBA’s living wage policy.

The review cycles have periods of two, five, and ten years.

“If the Coalition, the First Source Referral System, or the City believes that an Employer is not complying with this First Source Hiring Policy, then the Coalition, the First Source Referral System, the City, and the Employer shall meet and confer in a good faith attempt to resolve the issue” (p. A-17).

Additional contextual factors may be significant, including the balance of power among a CBA’s proponents and their opponents in the business community and the community at large, whose interests are manifest in the extreme positions of unqualified support for big-box retail or unqualified opposition. Where local elected officials customarily lead negotiations over development, a community group who initiates negotiations with a developer over a CBA may upstage and antagonize a potentially strong ally. We are indebted to Rachel Weber for those insights.

A community coalition’s bargaining power could also depend on the form of the subsidy.

The estimates of employee turnover rates vary widely, but Costco’s rate does appear to be significantly lower than either Wal-Mart’s or the retail industry’s average. Holmes and Zellner (2004) state that Costco’s employee turnover rate is 6% per year. Recent articles in *The Economist* report that Wal-Mart’s rate is 44% (“Wal-Mart: How big can it grow?,” 2004) and that the industry average rate is 40% (“Face value: The everyday price cutter,” 2004). Herbst (2005) provides estimates of 24% per year for Costco, 50% for Wal-Mart, and 65% for the industry.

The causal statement should not be interpreted literally to mean that other factors did not influence the LA City Council’s adoption of the ordinance.

That reach is well documented, especially for rural areas, e.g., Stone (1995).

The impacts of the distribution center were not assessed.


Even if, on the regional level, sectoral expansion offers equal benefits and costs, some neighborhoods and subpopulations may be differentially affected. Community groups may then conclude a community benefits agreement should be sought to protect their constituents.

Among other tools and data sources, ESRI’s ArcGIS Business Analyst allows one to estimate retail trading areas, market penetration, and at-risk retailers at relatively high spatial resolution, i.e., the demographic data’s spatial unit (such as census block group).

Narrative comprises: “qualitative interviews, involving focused dialogue around a number of key questions of concern; storytelling, which is the narration of some event or experience; history, a broad term that includes traditional mechanisms of exploring written materials relevant to the subject at hand; and oral history, one method of history” (Thomas, 2004, p. 53).

One theoretical approach aims at compensating government for its expenditures on providing social safety net services to a big-box retail store’s employees by levying an offsetting fee on the store. That approach is the site-specific equivalent of living-wage legislation.